

COL. ASTOR'S YACHT ON ROCKS

NOURMAHAL COMES TO GRIEF WITH HER OWNER ABOARD.

Stung for Eight Hours, but Pulled Off With-
out a Leak—Race for Astor Cops Feared
on Account of This Mishap
and the Accident to the Mineola.

NEWPORT, R. I., Aug. 15.—Col. John Jacob Astor's big steam yacht Nourmahal while starting out to Brenton's Reef light-ship to follow the racing yachts over the course to-day in the contest for the Astor cups went on the rocks in Brenton's Cove. She hung there for nearly eight hours and was then pulled off by the tug H. B. Chamberlain. It is said that she has not been injured, as she does not leak, but her plates are probably badly dented.

The 70-footer Mineola, owned by William Root Proctor and in charge of Capt. Charles Barr, while going out to the starting line sprung her mast and has to go to Bristol to get a new one. These two incidents, together with the storm that has raged here all day and the heavy rain, gave all hands plenty to talk about.

The races for the Astor cups are annual events. Col. Astor has given these trophies since the death of the late Ogden Golet and the Astor cups are the successors to the Golet cups. To win an Astor cup is the ambition of every racing yachtman, and Astor cup day is one of the social events of the season. All the big yachts take out large parties, and a gala time is had.

As usual, invitations were sent out by the owners of the large yachts, and Col. Astor had arranged to have a large party on the Nourmahal, and that vessel was to have been the judges' boat, having on board the regatta committee. The rain kept many from accepting these invitations, but some sixteen were taken from the club float on board the Utopia, Col. Astor's electric launch, and transferred to the Nourmahal, which was at anchor in Brenton's Cove.

Among those in the party were Col. and Mrs. John Jacob Astor, Mr. and Mrs. Joseph La Roque, Jr., A. M. Havemeyer, H. O. Havemeyer, Jr., Charles Sands, F. A. Plummer, Ernest Iselin, Miss Iselin and the Messrs. Roche. The regatta committee is Oliver E. Cromwell, H. de B. Parsons and Franklin A. Plummer. They boarded the Nourmahal about 10 o'clock, and as the Nourmahal was to be made at 10:45 o'clock off the Nourmahal, the Nourmahal's anchor was got up and the vessel began to pole her nose through the fleet of yachts in the cove. Capt. Fickett had charge and Col. Astor, clad in oilskins, was on the bridge.

There was a large fleet in the cove and getting out was a nasty job, particularly as a reef runs from Fort Adams in a north-easterly direction. The Nourmahal was moored so that her stern swung over the buoy that marks the end of the reef. On the weather side of the Nourmahal was the brigantine rigged yacht Asaph, chartered to Arthur T. Kemp, and near by were the Harcourt and several other large vessels. The wind was blowing hard from the north-east, and suddenly the Nourmahal was caught by the wind and driven hard on the reef so that at least four feet of her underbody at the bow showed clear of the water. Her hull dragged over the rocks with a harsh grating and some of the more timid on board thought that she must have torn holes in the plating. Engines were reversed, but all efforts to get the vessel off failed.

A hurried examination showed that no damage had been done that was serious, and Col. Astor assured his guests that the vessel need not be alarmed. The Nourmahal listed to port and heeled easily. As the regatta committee some time later declared the race off for the day, those on board did not miss anything, and after luncheon all went ashore. At high tide in the evening, the tug H. B. Chamberlain pulled the Nourmahal into deep water. She came off at 6:50 o'clock, apparently none the worse for her experience.

The Nourmahal is one of the best known yachts in these waters. She was built some years ago for the late William Astor, father of the present owner. The Nourmahal is a 70-footer, 230 feet long, and for a boat of her size is quite speedy. When Col. Astor was married to Miss Willing the Nourmahal was specially fitted out for the wedding trip. She has had many accidents since Col. Astor has owned her. Some years ago, she went on the reef in the Hudson River off New Hamburg. She was then on her way to New York to go out to the races between the Valkyrie and Defender, but instead of going to the races had to go into drydock. A few days later, while on her way out to the Hook, Col. Astor had her accident, and he drove her bowprit into a ferryboat. The ferryboat was badly damaged and the yacht lost her bowprit, but she went outside just the same.

The Mineola is one of the crack 70-footers. She was entered in the race to-day, and early in the morning preparations were made for the spin. Sails were hoisted and a club topail was sent aloft.

About 10 o'clock she got under way and stood out for Fort Adams toward the light-ship. The wind had freshened considerably but Capt. Barr was content with the conditions and with sheets pinned in flat drove the yacht on toward the light-ship, which was bobbing about on the water like a cork. The Mineola had Mr. Proctor, her owner, and Frank Bowne Jones on board, and Mr. Proctor's steamer Mermala was following closely. When just clear of Beaver Tail the yacht got a hard knockdown. She heeled so that the water piled on her lee side and boiled up to her hatches.

She went over further than any 70-footer ever heeled before, and many who saw her thought she would capsize or carry away something. Capt. Barr was at the wheel. Then she drove her nose into a big sea and picking up the water shook it aft. Another sea caught her under the bow, but she staggered on. Then she suddenly shot into the wind and it was found that the mast had split at the deck. It was a wonder that it had not been carried away.

The Mineola limped back to her moorings, and Nat Herreshoff, who was on board the Mermala, was at once consulted by Mr. Proctor about getting a new spar. The spar was shaped during the day, and the Mineola will go to Bristol to-morrow morning to have it stepped. This accident will put the yacht out of racing for several days, and she will not be able to take part in the ocean race from Marblehead to Halifax which is to be started next Monday.

Nothing Quite Equals It.
The Twentieth Century Limited, the 15-hour train between New York and Chicago by the New York Central Lines.—Ad.

DEEP PROBE, HIGGINS SAYS.

FACTS ABOUT EQUITABLE'S \$685,000 LOAN TO COME OUT.

Odell Negatives Indorsement of Jerome
for District Attorney by Republicans.
—Cite Already Committed to Jerome,
So That Fusion Looks a Little Remote.

Gov. Higgins, who will sail on Friday for Europe on the Cedric, came to town yesterday with Mrs. Higgins. She suffers from hay fever at this time of the year and it is the purpose of the Governor to try if a sea voyage will not give her speedier relief than the usual mountain air remedy. The Governor and his wife will be away only about four weeks.

It was not known that the Governor was coming to this city yesterday and he had no callers other than Collector Stranahan and President F. C. O'Connell of the State Gas Commission, for whom he sent. Mr. Odell, who also was here yesterday, knew that the Governor was here, but did not go near the Albemarle Hotel, where Mr. Higgins is staying. When the Governor was asked if he expected Mr. Odell to call upon him before he started for Europe he replied, "because he had made no appointment to meet Mr. Odell."

Mr. Higgins was averse to saying much on current matters. Of the insurance investigation he said that the committee could be relied upon to make a thorough and searching inquiry. He did not expect, he said, to meet any of the members of the committee before he sailed, and he had no information as to the lines along which the investigation would be conducted. As to the \$685,000 Mercantile Trust Company loan, Mr. Higgins said that the whole of the facts with regard to the transaction would be brought out by the committee. When asked if the committee would get that part of Superintendent Hendricks' report relating to the loan, he replied that he had no doubt that it would.

The Governor said that the petition prepared by Senator Page appealing to the State Gas Commission to reduce the price of gas in this city to 75 cents would unquestionably receive the immediate attention of that body. If the commission found that the price of gas in this city was excessive, its powers were such that it had the authority to lessen the cost to the consumer.

The Governor will not appoint the fifth member of the State Railroad Commission until after his return from Europe. That District Attorney Jerome will not only not be considered by the Republican organization as a possible nominee for Mayor, but will not even receive the Republican indorsement for District Attorney if Chairman Odell of the State committee has any say in the matter.

Mr. Odell's friends were saying last night at the Fifth Avenue Hotel after they had talked with him.

To the reporters who mentioned Mr. Jerome's name to him Mr. Odell smiled that he had nothing to say about Mr. Jerome. To a question as to whether he thought the District Attorney would not be a good man to go on the Republican ticket Mr. Odell replied "No," and then added quickly, "Er—that is, I don't know, because you do not know the politics. Those are matters that must be left to the local leaders."

As the Citizens' Union at its May convention committed itself to the support of Mr. Jerome, for District Attorney, it is apparent that if Mr. Odell should prevent his indorsement by the Republicans there can be no fusion between the Republicans and the City.

Charles F. Murphy was at Tammany Hall again yesterday, but he adhered to his attitude that it is too early yet to talk politics. The Democratic city convention, is to be held in Carnegie Hall in the first week in October.

MARSHALL FIELD'S WEALTH.
He Pays Taxes on \$400,000,000 in Cook County, Barely Kicking.

CHICAGO, Aug. 15.—The contributions of Marshall Field to the coffers of Cook county this year were announced to-day by the Board of Review.

Mr. Field will pay taxes on a real estate valuation of \$30,000,000 and on a personal property valuation of \$10,000,000. Unlike many of the wealthy citizens of Cook county who appear to think the system of taxation is without fairness, Mr. Field meets his obligation without a murmur of objection unless he has been made the subject of flagrant injustices.

There are those who declare that Mr. Field, were he to realize full value on all his possessions, could sign a check for \$200,000,000. The more conservative, however, estimate his wealth at between \$100,000,000 and \$150,000,000. Nobody but Marshall Field knows how rich Marshall Field considers himself to be.

"It is a pleasure to deal with Mr. Field," said one of the county tax officials. "His complaints are few and when he does utter a complaint there always is a just ground for it. He is one of those who pay a matter of good business to escape paying their full share of the taxes. He wants to be fair and square with the people."

NEARLY DROWNED HER RESCUER.
Young Woman Clashed Her Arms About Him—Slipped Into Deep Hole in Pond.

CENTERPORT, L. I., Aug. 15.—Arthur Codman Hurd of Manhattan and Huntington rescued Miss Mary Mortimer of Brooklyn from drowning yesterday. It was only after a hard struggle that he succeeded in getting the young woman safely to shore.

Miss Mortimer, a trained nurse, went swimming in the pond. She cannot swim and had not been warned of the deep holes in the pond. Suddenly she stepped into a hole near the floodgates, and with a scream, sank out of sight.

Mr. Hurd, who was near, rushed to her aid. The moment he reached her she grabbed him about the neck and shoulders with a grip that momentarily rendered him powerless. They went under water together. It was perfectly plain to Mr. Hurd, who is of muscular build, that he must get away from the woman or both would drown.

He had decided to use his free arm to lift her a blow that would stun her, so he could take her ashore. As they came to the surface, however, the woman's grip weakened and he held her away from him and started for the shore.

"FEEL AT HOME ON THE PENNSYLVANIA RAILROAD."
After traveling over the world a person appreciates the Pennsylvania Railroad with its superior equipment, clean, rock-balanced roadbed, and excellent dining car service. Remark of recent passenger car on the "Pennsylvania Special," 15-hour train between New York and Chicago.

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CORTEYOU TO HEAD TREASURY.

Place Said to Have Been Offered to Him —Hanna's Boomers House Comment.

WASHINGTON, Aug. 15.—George B. Cortelyou, Postmaster-General, will succeed Leslie M. Shaw as Secretary of the Treasury when the latter voluntarily retires next February, if he will accept the place. Such is the opinion of those highest in official authority here.

It was said to-day that the offer has already been informally made and that Mr. Cortelyou has shown some hesitation about accepting, preferring the work of the Post Office Department.

Some unfavorable comment was heard in official circles to-day over the brass band campaign inaugurated in Indiana in behalf of Hugh H. Hanna for the Treasury portfolio as soon as this State despatches announced that his name had been favorably mentioned here. Those who know Mr. Hanna's fine sense of propriety believe the movement was without his authority and was started by politicians who wanted to get to the place.

If Mr. Cortelyou goes to the head of the Treasury Department, it is mentioned as one of the possibilities that Harry S. New of Indianapolis, who enjoys the President's confidence in a high degree, will get an offer of the place of Postmaster-General.

LOOMIS SOON TO GET OUT.
William Carey Sanger May Be Secretary Root's First Assistant.

OSTEON, Aug. 15.—The possible appointment of William Carey Sanger to succeed Francis B. Loomis as Assistant Secretary of State is still understood here to be a mooted question. It is known that Secretary Root desires an assistant secretary "at least as close to him as Col. Sanger."

But if Col. Sanger is actually the choice of Mr. Root the President doesn't know it, and it is a matter of doubt who will succeed Mr. Loomis, that he will soon have a successor is certain.

NO EXTRA SESSION, TAFT TOLD.
President Sends a Message to the Secretary of the House.

SPECIAL CABLE DISPATCH TO THE SUN.
PORTSMOUTH, Aug. 15.—At luncheon on the transport Logan to-day Secretary Taft read a cable message from President Roosevelt which said: "I am of opinion that an extra session will be unnecessary."

The message from the President was received with applause by the Senators, Representatives and others present. It is probable that several of the Congressmen will take advantage of this to prolong their tour of the Orient.

KING ALFONSO IN AUTO SMASH.
Breaks Machine Avoiding a Collision but He Escapes Injury.

SPECIAL CABLE DISPATCH TO THE SUN.
MADRID, Aug. 15.—King Alfonso was in an automobile accident to-day while returning to San Sebastian from Portugal. Versions of the affair differ, but the King was apparently unhurt.

The most reliable account says that his Majesty was steering when he met another motor car on a winding road near Urrubiel, skirting the river Uria. The King was obliged, in order to avoid a collision, to swerve sharply to the right. The other car, however, was not so quick to turn. Nobody was hurt, but the car was put out of business.

The King entered the following car and continued his journey to Miramar, where he attended services in the parish church. Another story says that the King was speeding his car when it collided with another automobile driven by the Marquis of Urquijo. His Majesty was thrown into the road, but was picked up uninjured.

SNOW IN PENNSYLVANIA.
Hazleton Policemen Not Only Saw the Flakes, but Fell 'Em.

HAZLETON, Pa., Aug. 15.—Policemen and others who were abroad at 1 o'clock this morning say there was a lively flurry of snow in this city at that hour. Following the day was a steady rain, and the temperature began to drop last evening, and at midnight it was down to 45 degrees.

The policemen say they caught some flakes, and tried to collect enough to make a mid-summer snow highway for the Mayor, but did not succeed.

WILL CARRY ARMS IN CANADA.
Buffalo Regiment Has Permission to Parade in Toronto.

OTTAWA, Ont., Aug. 15.—The Dominion Government has promptly granted the necessary permission to allow the Seventy-fourth Regiment of the National Guard of New York to visit Toronto. It will carry arms through the streets there on Labor Day, Sept. 4, when the city is crowded with visitors during fair week.

There was an absence of the red tape which nearly prevented the Forty-third Regiment of Ottawa from going to Boston a few weeks ago. When the Dominion authorities were asked, they promptly granted the request made by the New York State authorities. There is a possibility that both Prince Louis of Battenberg and the Russian and Japanese peace plenipotentiaries may be in Toronto on Labor Day.

CHAMPAGNE FOR THE VERMONT GOV.
Bell Refuses to Be Swayed by the Temperance Folk.

BENNINGTON, Vt., Aug. 15.—Gov. Bell was questioned to-day as to what liquid would be used at the launching of the battleship Vermont at Quincy, Mass., next month. He emphatically declared for champagne. He said that he had received many letters from members of the W. C. T. U. and other temperance organizations requesting that something besides wine be used, but he said that he was concerned champagne had always been used and he could see no necessity in making a change.

John S. Kennedy Made Secretary of the State Railroad Commission.

ALBANY, Aug. 15.—The State Railroad Commission, at its meeting in New York to-day, appointed John S. Kennedy, postmaster of Corning, as its secretary at a salary of \$6,000.

Mr. Kennedy's selection was due to the influence of Senator William J. Tully of Corning.

State Water Board Chooses Myron S. Falk of Columbia.

ALBANY, Aug. 15.—The State Water Board met here to-night. Myron S. Falk of the faculty of Columbia College was appointed consulting engineer of the board, subject to the approval of Gov. Higgins, at a salary of \$6,000.

PASS OVER JAP DEMAND FOR LAND

Envoys, Disagreeing on That, Go On to Other Conditions for Peace.

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Japs Believed to Have Yielded Temporarily on That Point.

United States and China May Have Voice in Final Disposition of Vessels That Sought Refuge in Manchuria—Cession of Railway in Manchuria Not Con- sidered—Envoys to Get Simplest Terms Out of the Way First—Day's Proceed- ings Make the Peace Advocates Hopeful

PORTSMOUTH, N. H., Aug. 15.—Russia and Japan struck the first snag to-day in their attempt to negotiate the difficult and tortuous waters that lead to peace. Predictions have been freely made that when this occurred all hope of success would vanish and the attempt to settle the Far Eastern war would end abortively.

But the four able men to whom their respective Governments have entrusted the determination of the destinies of the two great nations whose affairs hold the foremost place of interest in the eyes of the civilized world disappointed the prophets of evil by doing what all sensible men would do. When they realized that it was useless to attempt to reach an agreement at this time upon the point in dispute they calmly made a note of it and turned to the next question before them.

In this course of action the world has the assurance that the plenipotentiaries of Russia and Japan intend to make an honest effort to perform the duty which has brought them to this New England town, far removed from scenes of hostile conflict and political agitation. From the moment when they reached the phase of discussion it became a foregone conclusion that they would attempt to "make good" in the eyes of the world by giving an opportunity for a full and free interchange of views upon every aspect of the problems which were placed before them for adjustment. It was not supposed that they would find the way smooth and easy; in fact, the progress they have made in the few days devoted to actual consideration of the issues, has been a very surprising feature of the conference. Their failure to agree to-day may mean much or little, but their decision to proceed with their work is to be accepted as an evidence of their good sense and devotion to the cause of peace.

SAKHALIN THE DISPUTED POINT.
Information derived from a source regarded as reliable leads to the belief that the Japanese demand for the cession of Sakhalin Island to the Tokio Government is the point upon which the envoys failed to agree. This was article 5 of the Japanese conditions, and when the plenipotentiaries found that they could not agree upon a harmonious adjustment of its provisions, they came to the conclusion that it should be sidetracked for the time being in order not to delay the consideration of other articles not so seriously regarded.

The dispute over article 5 occurred at the morning session of the envoys and upon the recess for luncheon they authorized the following statement:

"In the morning session of Aug. 15 the conference discussed Articles IV and V. Article VI was unanimously agreed upon. Not being able to arrive at a unanimous decision on Article V, the plenipotentiaries decided to take note of the divergent views and to proceed with the discussion of the other articles."

To attempt to give an account of what occurred at the conference of to-day is to pretend knowledge that nobody is believed to possess outside of those who were present at the session. From an unquestioned source of information it is learned, however, that the Russian plenipotentiaries have accepted Japan's condition that her preponderance of influence in Korea be recognized by Russia, coupled with the proviso upon which Mr. Witte and Baron Rosen insisted that Russia receive most favored nation treatment in her trade intercourse with the hermit kingdom, and that they have also agreed to the Japanese demand that Manchuria be evacuated. The evacuation clause of the arrangement thus far completed provides for the withdrawal not only of Russian, but of Japanese troops. It was finally adjusted at this morning's session.

DISCUSSION OF THE INTERNEED SHIPS.
When the plenipotentiaries assembled after luncheon they immediately began the consideration of article 6. Strict secrecy as to what this article provided is being observed by both sides, but it leaked out this evening that the Russian envoys had gained a victory in the adjustment of it. From this one known fact the inference is drawn that the Japanese demand for the possession of the Russian ships interned under the custody of the American and the Chinese governments at Manila, San Francisco, Shanghai and Chefoo was the question.

Some surprise was manifested when it became known that Japan had insisted that these vessels of war be transferred to her, for the point has been made clear that the discussion of the interned ships was a matter involving the consent of the United States and China.

In spite of the understanding among many that the Japanese conditions represented an irreducible minimum of demands, little doubt has been felt by those who have followed the peace developments intelligently that Japan had made her terms at the severest possible character with the full intention of modifying them in order to effect a compromise. That this idea was entirely correct is demonstrated by the knowledge obtained this evening of Russia's success in combating Japan's insistence upon the adoption of article 6.

From what leaked out upon this point there is reason to suppose that Baron Komura and Mr. Takahira recoiled from the position they had assumed. In other words, granting that it was the matter of the transfer to Japan of interned Russian ships which resulted in success for the Czar's emissaries, the disposition of these ships upon the conclusion of the war will be made only as the result of an international conference to which the United States and China, as well as Russia and Japan, will be parties.

RESULTS TO DATE.
It is useless in the face of the secrecy that is being displayed by both parties to the conference to attempt to give in regular order the various points upon which the plenipotentiaries have reached a conclusion. But it appears probable that the adjustment thus far has embraced the following items:

Russia agrees to recognize the preponderant influence of Japan in Korea.
Japan consents to allow Russia the advantage of most favored nation treatment in Korea.

Russia and Japan agree to respect the territorial and political integrity of China.
Russia and Japan agree to withdraw all their military forces from Chinese territory.

Russia agrees to surrender to Japan her leases of Port Arthur and the Liaotung Peninsula. Upon this last point, however, there is no definite assurance that the disposition indicated has been made.

RAILWAY CESSATION NOT DISCUSSED.
From a high source of authority it was learned, after the conclusion of the afternoon session of the envoys, that the Japanese demand for the cession to the Tokio Government of the Russian Railway in Manchuria, between Port Arthur and Harbin, had not been discussed in the conference. This question, regarded by many as the rock upon which the effort to bring about peace will go to pieces, will probably be considered synchronously with the matter of indemnity. It has been indicated more than once in THE SUN's despatches from Portsmouth that the disposition of the railway is intimately associated in the Russian mind with the indemnity problem. Those whose opinions are entitled to respect have felt no doubt that the Portsmouth conference would reach a happy conclusion if a means could be found of satisfying Japan's demands without compelling Russia to pay a humiliating cash price, or at most, a comparatively small amount of cash, for the promise by her opponent not to prosecute the war.

The suggestion has been made—and made in a quarter where some intimate knowledge of Russia's attitude is to be found—that if Japan would deduct from the amount of indemnity demanded an amount approximating a high percentage of the railway's actual value the means might be found of reaching the basis for a treaty of peace. It is this which makes the railway question of such vital importance in the negotiations. This indicates why the plenipotentiaries have been in no hurry to reach it.

The envoys, it may now be stated, have agreed not to take up the Japanese demands for the payment of indemnity and the cession of territory until the very last. In the meantime every effort will be made to adjust what may be termed the minor points of difference. The great battle of diplomacy will come when the road has been cleared of all obstacles except those which more particularly involve the honor, pride and dignity—and perhaps it should be said the purse—of Russia.

The first session to-day lasted from 9:30 until 12:30 and the second, which was begun at 3 o'clock, was prolonged until after 6.

RUSSIA NOT ENCOURAGED.
Still Placemist Despite Progress the Envoys Have Made.

SPECIAL CABLE DISPATCH TO THE SUN.
ST. PETERSBURG, Aug. 15.—Expectations of the fall re of the negotiations are not affected by the progress made upon subordinate points in the peace conference at Portsmouth. Even the commercial world, which ardently hopes for peace, is asking when the delegates will reach the questions of handing over Russian money and territory, and only those who think that Japan may abate her claims on those two points have any hopes of success of the negotiations.

The spokesman of the Foreign Office is still without a statement of even the points already considered at the conference but expresses the hope that the conference will continue for some time as obviously it is to Russia's interest to demonstrate that she is a reasonable negotiator.

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Russia agrees to surrender to Japan her leases of Port Arthur and the Liaotung Peninsula. Upon this last point, however, there is no definite assurance that the disposition indicated has been made.

RAILWAY CESSATION NOT DISCUSSED.
From a high source of authority it was learned, after the conclusion of the afternoon session of the envoys, that the Japanese demand for the cession to the Tokio Government of the Russian Railway in Manchuria, between Port Arthur and Harbin, had not been discussed in the conference. This question, regarded by many as the rock upon which the effort to bring about peace will go to pieces, will probably be considered synchronously with the matter of indemnity. It has been indicated more than once in THE SUN's despatches from Portsmouth that the disposition of the railway is intimately associated in the Russian mind with the indemnity problem. Those whose opinions are entitled to respect have felt no doubt that the Portsmouth conference would reach a happy conclusion if a means could be found of satisfying Japan's demands without compelling Russia to pay a humiliating cash price, or at most, a comparatively small amount of cash, for the promise by her opponent not to prosecute the war.

The suggestion has been made—and made in a quarter where some intimate knowledge of Russia's attitude is to be found—that if Japan would deduct from the amount of indemnity demanded an amount approximating a high percentage of the railway's actual value the means might be found of reaching the basis for a treaty of peace. It is this which makes the railway question of such vital importance in the negotiations. This indicates why the plenipotentiaries have been in no hurry to reach it.

The envoys, it may now be stated, have agreed not to take up the Japanese demands for the payment of indemnity and the cession of territory until the very last. In the meantime every effort will be made to adjust what may be termed the minor points of difference. The great battle of diplomacy will come when the road has been cleared of all obstacles except those which more particularly involve the honor, pride and dignity—and perhaps it should be said the purse—of Russia.

The first session to-day lasted from 9:30 until 12:30 and the second, which was begun at 3 o'clock, was prolonged until after 6.

RUSSIA NOT ENCOURAGED.
Still Placemist Despite Progress the Envoys Have Made.

SPECIAL CABLE DISPATCH TO THE SUN.
ST. PETERSBURG, Aug. 15.—Expectations of the fall re of the negotiations are not affected by the progress made upon subordinate points in the peace conference at Portsmouth. Even the commercial world, which ardently hopes for peace, is asking when the delegates will reach the questions of handing over Russian money and territory, and only those who think that Japan may abate her claims on those two points have any hopes of success of the negotiations.

PASS OVER JAP DEMAND FOR LAND